

BEFORE THE
ILLINOIS COMMERCE COMMISSION

In the Matter of)

Telecommunications Resellers)
Association)

v.)

Docket No. 00-0024

Ameritech Illinois)

Complaint against enforcement of)
Unjust and Anti-Competitive)
Termination Penalties in tariffs and)
contracts for ValueLink service and for)
modification of ValueLink tariffs and)
contracts)

DIRECT TESTIMONY OF

WILLIAM A. CAPRARO, JR.

ON BEHALF OF

THE TELECOMMUNICATIONS RESELLERS ASSOCIATION

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0024

Petitioner's Exhibit No. 1

Witness CAPRARO

Date 7-11-00 Reporter R.G.

Dated: April 26, 2000

1 **DIRECT TESTIMONY OF WILLIAM A. CAPRARO, JR. ON BEHALF OF THE**
2 **TELECOMMUNICATIONS RESELLERS ASSOCIATION**

3 Q. Please state your name and business address.

4 A. William A. Capraro, Jr., 18W100 22nd Street, Suite 109, Oakbrook Terrace, IL
5 60181

6 Q. What is your position with CIMCO?

7 A. Chief Executive Officer

8 Q. Please provide your professional qualifications.

9 A. I am the current CEO and owner of CIMCO. I have operated CIMCO since 1985.
10 CIMCO offers a variety of non-facilities bases telecommunication products and
11 services. I have been active in the TRA since its inception. I am nationally
12 recognized in our market segment by being quoted in various trade magazines,
13 including, PHONE+ and Crane's Business. A copy of my resume is attached to
14 this testimony as Schedule WAC 1.

15 Q. What is the purpose of your testimony?

16 A. I will review the allegations made by the Telecommunications Resellers
17 Association ("TRA") in its complaint against Ameritech Illinois ("Ameritech")
18 initiating this proceeding and provide the reasons why the Illinois Commerce
19 Commission should grant the requested relief. I will also discuss some of the
20 specific experiences of CIMCO with Ameritech's ValueLink services that are the
21 subject of this proceeding.

22 Q. Please describe the TRA.

1 A. A national industry association, TRA represents more than 800 entities engaged
2 in, or providing products and services in support of, the provision of competitive
3 telecommunications services, primarily on a resold basis. TRA was created, and
4 carries a continuing mandate, to foster and promote telecommunications resale, to
5 support the telecommunications resale industry, and to protect and further the
6 interests of entities engaged in the resale of telecommunications services. TRA is
7 the largest association of competitive carriers in the United States, numbering
8 among its members not only the large majority of providers of domestic
9 interexchange and international services, but the majority of competitive local
10 exchange carriers.

11 TRA counts among its membership more than 30 Illinois-based members
12 and many other members who are authorized by the Commission to provide
13 competitive local exchange services in Illinois. TRA's CLEC members primarily
14 serve small to medium-sized commercial subscribers, those most directly affected
15 by the imposition of unjust and unreasonable early termination penalties and
16 policies applicable to contracts signed before any significant competition was
17 available. Ameritech contract termination penalties preclude these commercial
18 subscribers from considering competitive alternatives, such as those offered by
19 TRA's members, until the contract term is met several years in the future.

20 Q. Please describe your relationship with TRA.

21 A. CIMCO is a long standing member of TRA and has been active on a variety of the
22 Association's commercial and regulatory efforts. Our company is generally
23 representative of many of TRA's medium-sized and smaller company members in

1 terms of its experiences in working with, and competing against, Ameritech.
2 CIMCO has considerable experience with Ameritech's ValueLink contracts. This
3 first-hand experience enables us to address the concerns raised in TRA's
4 complaint from a competitive local exchange carrier member's perspective.

5 Q. Please describe the ValueLink contracts.

6 A. The ValueLink contracts are based upon a series of Ameritech tariffs referred to
7 in this complaint as "ValueLink" tariffs. The contracts and the tariffs - which
8 contain similar terms and conditions - provide customers with discounts on
9 certain Ameritech rates. The level of discounts depend upon minimum bills,
10 minimum levels of usage, and lengths of contracts. These contracts and tariffs all
11 contain termination penalties that generally involve payment of the minimum
12 commitment level for the duration of the contract. There are several Ameritech
13 services that are the subject of this proceeding. For convenience, TRA refers
14 them in its complaint and in this testimony as the ValueLink services. These
15 services include the following Ameritech services: ValueLink, ValueLink Extra,
16 ValueLink Extra Select, ValueLink - Option F, ValueLink - Option F Preferred,
17 Enhanced Ameritech ValueLink Plus, CompleteLink and StraightRate. The
18 common thread to all of these services is that they bind customers to term
19 agreements. Ameritech has tariffs for each of these services. Additionally,
20 Ameritech has its customers sign contracts that contain terms consistent with the
21 tariffs.

22 Q. What is the purpose of the relief requested by TRA?

1 A. The purpose of the proposed relief is to eliminate or reduce unfair termination
2 penalties to a just and reasonable level and to establish rules to ensure that the
3 termination penalties are imposed in a manner that does not have an adverse
4 impact on competition, and moreover, that frees formerly captive Ameritech
5 customers to elect competitive alternatives at such time as they become available.

6 Q. Please summarize TRA's position in this proceeding.

7 A. These unreasonable termination penalties enable Ameritech to maintain its
8 monopoly market control even in the face of growing local competition by
9 locking up a significant share of the market prior to the introduction of significant
10 competition. Because of the pervasiveness of its ValueLink tariffs and the
11 magnitude of the termination penalties, Ameritech has erected overwhelming
12 barriers to competitors.

13 Additionally, even in the absence of contracts signed by customers,
14 Ameritech continues to impose termination penalties because it claims it is
15 authorized to do so by its tariffs. Finally, when a competitive local exchange
16 carrier ("CLEC") assumes an existing Ameritech contract to serve a subscriber,
17 Ameritech charges the CLEC a termination penalty in the event that Ameritech
18 wins back the customer.

19 These termination penalties restrict competitive choice and undermine
20 competitive entry. Therefore, they violate the Congressional mandate to remove
21 all barriers to entry into local exchange markets, pursuant to Section 253 of the

1 Telecommunications Act of 1996 (the "Act")¹, and violate the requirement in
2 Section 13-514 of the Public Utilities Act that carriers not impede competition.²
3 Finally, the termination penalties are so large that they violate the just and
4 reasonable requirement for rates and are unenforceable as unconscionable
5 contracts.

6 Q. Has Ameritech ever had tariffs that provided volume discounts without term
7 commitments?

8 A. Until recently, Ameritech provided automatic volume discounts that allowed its
9 business customers to obtain lower rates if they used more Ameritech services.
10 Those discounts were automatic and did not require customers to commit to usage
11 levels or commit to Ameritech service for any length of time. Just as competition
12 became more widespread in Ameritech territory, the company eliminated its
13 automatic volume discounts. With the elimination of these discounts, customers
14 were encouraged to obtain service under the ValueLink family of services.

15 Q. Please identify the ValueLink tariffs that are the subject of this proceeding:

16 A. The ValueLink tariffs include the following:

17 ValueLink; Tariff No. 19, Part 20, Section 4, Sheets 7-9, (Grandfathered
18 as of January 1, 1998).

19 ValueLink Extra; Tariff No. 19, Part 20, Section 4, Sheets 12-18,
20 (Grandfathered as of October 8, 1999).

¹ No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service. 47 U.S.C. '253(q)

² A telecommunications carrier shall not knowingly impede the development of competition in any telecommunications service market. 220 ILCS 5/13-514

1 ValueLink Extra Select; Tariff No. 19, Part 20, Section 4, Sheets 19-24,
2 (Grandfathered as of October 8, 1999).

3 ValueLink Illinois - Option F; Tariff No. 19, Part 4, Section 2, Sheets 50-
4 56.

5 ValueLink Illinois - Option F Preferred; Tariff No. 19, Part 4, Section 2,
6 Sheets 57-61.

7 Enhanced Ameritech ValueLink Plus; Tariff No. 19, Part 9, Section 3,
8 Sheets 5-11.

9 CompleteLink; Tariff No. 19, Part 4, Section 5, Sheets 20-29.

10 StraightRate; Tariff No. 19, Part 4, Section 2, Sheets 30-32, 41-43.

11 Copies of the relevant pages from these tariffs are attached to this testimony as
12 Schedule WAC 2.

13 Q. How do these tariffs differ from Ameritech's previous automatic discounts?

14 A. The major difference between the original automatic volume discounts and the
15 ValueLink tariffs is that the customer is required to agree to a minimum level of
16 usage and is required to commit to a term contract. Under some of these tariffs,
17 the customer must make those commitments even for services that TRA believes
18 are still noncompetitive under the Public Utilities Act. Ameritech's attempt to
19 designate virtually all of its business services as "competitive" is the subject of
20 the pending Commission proceeding Docket No. 98-0860.

21 The ValueLink tariffs are structured as "take-or-pay" rates. The customer
22 chooses a minimum level of usage or minimum level of revenue and is charged no
23 less than the minimum amount, whether or not it meets the minimum

1 commitment. The amount of discount provided to the customer is a function of
2 the level of minimum annual commitment and the duration of the contract.
3 Higher commitments and longer contracts result in larger discounts.

4 Although some ValueLink services only apply to services that have been
5 declared competitive under Section 13-502 of the Public Utilities Act, others
6 apply minimum revenue commitments or usage commitments and discounted
7 rates to services that TRA believes will be found by the Commission in Docket
8 98-0860 to be noncompetitive services.

9 In addition to its tariff language, Ameritech has created contracts that
10 reflect the terms of the various ValueLink tariffs. Customers are required to sign
11 those contracts in order to receive the ValueLink discounts.

12 Q. Does Ameritech's marketing of the ValueLink services raise additional concerns?

13 A. One of the primary methods used by Ameritech to market its ValueLink services
14 is to allow authorized agents to contact customers on behalf of Ameritech.
15 Ameritech pays its authorized agents a commission equal to a percentage of the
16 value of a contract over its life. This provides the agents with an incentive to sign
17 up customers to ValueLink contracts with the longest duration and thus the largest
18 commissions.

19 Q. What does TRA believe are the competitive impacts of Ameritech's ValueLink
20 tariffs?

21 A. The first anticompetitive aspect of Ameritech's termination penalties is the fact
22 that they are extraordinarily high. Except for perhaps the final month or two of a
23 multi-year contract period, the penalty is several times more than the customer

1 could have saved under the program. The termination penalty is an extension of
2 the take-or-pay aspect of the rate. Thus, if a customer leaves Ameritech before
3 the end of its contract period, the remaining annual commitment amount during
4 the balance of the contract is immediately payable to Ameritech.

5 The amount of the penalty is too high because it far exceeds the benefit the
6 customer could have received from the rate. For example, under the ValueLink
7 Extra agreement, a customer that commits to a minimum annual revenue
8 commitment of \$25,000 for three years obtains a 6% discount on its qualifying
9 competitive services. Because the minimum revenue commitment includes both
10 competitive and noncompetitive services, the portion of a customer's bill that is
11 subject to a discount is most likely far less than the commitment level. For
12 example, assume that a customer meets its \$25,000 revenue commitment each
13 year and that the customer's qualifying competitive services account for one half
14 of its bill. The discount for that customer during each year would be 6% of one
15 half of \$25,000 - or \$750. If that customer left Ameritech after one year, it would
16 be required to pay a penalty of \$50,000. If it left after two years, it would be
17 required to pay a penalty of \$25,000. Yet, over the entire life of the plan, this
18 customer could only expect to save a total of \$2,250. Moreover, because the
19 ValueLink program is structured as a take-or-pay rate, the failure to meet the
20 minimum commitment in any one year could wipe out all savings for this
21 customer. Nevertheless, regardless of whether the customer actually paid less
22 than standard retail rates, it must pay Ameritech every penny of the minimum
23 commitment through the end of the contract period. Such a disparity between

1 benefit provided by the contract and penalties for early termination are not just
2 and reasonable under the Public Utilities Act.

3 Q. Are Ameritech's ValueLink tariffs unconscionable?

4 A. I am not an attorney. I can state that TRA will argue in its briefs that the
5 discrepancy between benefit and cost is so high that the ValueLink contracts meet
6 the judicial standard for unconscionable contract set forth in the Restatement of
7 Contracts. The factors relevant to finding a contract unconscionable include gross
8 disparity in the values exchanged or gross inequality in the bargaining positions of
9 the parties together with terms unreasonably favorable to the stronger party.
10 Restatement (Second) of Contracts ' 208, comments c, d, at 108-09 (1981).

11 Q. Are the factors for a finding of unconscionability present in this proceeding?

12 A. Each of the factors set forth in the Restatement of Contracts apply in this case.
13 All of Ameritech's customers have a gross inequality of bargaining position.
14 Additionally, there is a gross inequality in values exchanged, with Ameritech
15 obtaining unreasonably stronger terms than its customers.

16 Q. Do Ameritech's tariffs provide evidence of the unreasonable nature of its
17 ValueLink termination penalties?

18 A. The unreasonable nature of the ValueLink termination penalties is evident in
19 Ameritech's various "Winback" tariffs. The Winback tariffs are available to
20 customers that are receiving service from other carriers or that have been
21 approached by other carriers to switch from Ameritech - in other words,
22 customers that are in a position to demand reasonable terms and conditions.
23 These tariffs provide customers with discounts if they take Ameritech services for

1 a specified period of time. The early termination penalties for such customers is
2 far more reasonable than the ValueLink termination penalties. For example, the
3 Winback Term Plan (Tariff No. 19, Part 9, Section 3, Sheets 1-2, provides for a
4 lump sum early termination penalty of \$200. Similarly, the Business Special Rate
5 III (Tariff No. 19, Part 2, Section 8, Sheet 42), imposes an early termination
6 penalty of \$200.

7 The unreasonable nature of Ameritech's ValueLink termination penalties
8 is also evident from the early termination penalties Ameritech imposes on
9 customers using truly competitive services. For example, the early termination
10 penalty for Ameritech ISDN Prime Service is the difference between the rates the
11 customer actually paid and the rates the customer would have paid if it had agreed
12 to a term shorter than the period it actually received service. (Tariff No. 19, Part
13 17, Section 2). Thus, if a customer with a three year contract leaves after 15
14 months, it refunds to Ameritech the difference between the amount it actually
15 paid during the 15 months and the rates it would have paid during the 15 months
16 if it had entered into a one year contract, which has a lower discount than a three
17 year contract. Similarly, Ameritech's Dedicated Communication Service
18 customers pay early termination penalties based on a calculation of the difference
19 between the amounts actually paid and the amounts that would have been paid
20 under the next lower period of contract commitment. (Tariff No. 19, Part 15,
21 Section 1).

1 Q. What is the second anticompetitive aspect of the ValueLink tariffs?

2 A. The second anticompetitive aspect of the ValueLink tariffs is the fact that the
3 usage commitments and therefore the termination penalties often apply to
4 noncompetitive services. Ameritech's action of eliminating its automatic volume
5 discounts for noncompetitive services and then luring customers into replacing
6 those discounts with the restrictive ValueLink tariffs is an abuse of its monopoly
7 power.

8 Q. Are the services that are the subject of the ValueLink tariffs considered to be
9 competitive under the Illinois Public Utilities Act?

10 A. Over the past few years, Ameritech has designated virtually all of its business
11 services as being competitive. This Commission is reviewing Ameritech's
12 designation for several of those services in ICC Docket No. 98-0860. If this
13 Commission finds in that proceeding that any of the services designated by
14 Ameritech as being competitive are in reality noncompetitive -- or only became
15 competitive on some date after the original designation but subsequent to
16 customers signing ValueLink contracts that include those services as the
17 minimum annual revenue commitment, then the result would be that Ameritech
18 will have locked up its customers to long term contracts prior to services actually
19 being competitive.

20 Q. What is the third anticompetitive aspect of the ValueLink tariffs?

21 A. The third anticompetitive aspect of the ValueLink tariffs is the fact that Ameritech
22 imposes a penalty even in the absence of a contract. In some cases, neither the
23 subscriber nor Ameritech is capable of producing any documentation which

1 would demonstrate that the subscriber willingly subscribed to a contracted
2 service. In other instances, the "contract" that Ameritech produces does not
3 contain an authorized signature by the customer. Instead, the signatures are
4 forgeries or are by personnel that are not authorized to bind the customers. In
5 these cases, there is a strong indication that the subscriber was subscribed to a
6 service contract without the subscriber's concurrence by an overly aggressive
7 Ameritech agent eager to collect a sales commission - the equivalent of an
8 unauthorized primary account transfer or "slamming". Nevertheless, even when
9 Ameritech is unable to produce a contract it claims that its ValueLink tariff
10 provides an independent source of authority to impose termination penalties.
11 Ameritech therefore argues that any customer that receives ValueLink discounts -
12 even those without an enforceable contract - are subject to the draconian
13 termination provisions in that tariff.

14 Q. Does Ameritech's policy affect the information it provides to CLECs as part of its
15 Operations Support System?

16 A. Ameritech's argument that customers receiving ValueLink discounts are bound
17 for a certain period of time, even if they did not sign a contract, affects the
18 information provided to CLECs under Ameritech's Operations Support System
19 ("OSS"). Regardless of whether it has a valid contract with a customer,
20 Ameritech lists all customers receiving ValueLink services as contractually bound
21 in the information it provides to CLECs pursuant to its OSS. Thus, CLECs are
22 discouraged from pursuing customers that may not even have valid contracts with
23 Ameritech.

1 Q. What is the fourth anticompetitive aspect of the ValueLink penalties?

2 A. The fourth anticompetitive aspect of the ValueLink penalties is the imposition of
3 termination penalties on contracts assumed by CLECs. Ameritech has allowed
4 CLECs to assume its customers' ValueLink contracts and to resell those services,
5 at little or no gross margin. In those cases, if the customer later leaves the CLEC
6 for another carrier, the CLEC is responsible for the penalty. While that is a risk
7 that the some CLECs may be willing to undertake, Ameritech has added a
8 fiendish twist that makes the risk unbearable - Ameritech lures the customer back
9 under its "win back" program and then charges the CLEC the early termination
10 penalty. Ameritech's win-back scheme is made even more effective by the fact
11 that Ameritech fully controls the provision of service to the subscriber when the
12 contract is assumed by a CLEC. When Ameritech does not provide reliable
13 service and the subscriber opts out of its contract through the resultant frustration,
14 frustration directed at the innocent CLEC, not Ameritech, Ameritech profits
15 through regaining a former subscriber and through charging the CLEC the take-
16 or-pay penalty for the balance of the assumed contract.

17 Q. What is the impact of Ameritech's ValueLink tariffs on the development of
18 competition in the local exchange market?

19 A. Ameritech's use of ValueLink tariffs to lock up its customers has an
20 anticompetitive impact that harms customers. Contract terms that may have
21 appeared favorable to the subscriber prior to effective competition, may now be
22 entirely uncompetitive in light of continually declining price structure and
23 innovative service offerings resulting from the emerging competitive market.

1 These contract customers have little recourse but to wait out the term of their
2 agreement. In other words, contract customers may be the last former captive
3 Ameritech customers who may avail themselves of competitive alternatives at
4 such time as they become available. Payment of the termination penalties is not
5 really an option because they are at such an exorbitant level that they far
6 overwhelm any potential savings from leaving Ameritech.

7 Q. Do the ValueLink termination penalties have a significant anticompetitive effect
8 on CLECs?

9 A. Ameritech's use of ValueLink penalties has a significant anticompetitive impact
10 on CLECs. Because TRA members primarily focus on the small to medium-size
11 commercial market, the inability of TRA CLEC members to approach this
12 segment of the market will adversely effect members' and other CLECs' ability to
13 compete, let alone survive, in Illinois.

14 Q. Has this Commission considered Ameritech's long term contracts in previous
15 cases?

16 A. In its order in *Illinois Bell Telephone Company*, Dockets 94-0096; 94-0117; 94-
17 0146; 94-0301 Consol. (April 7, 1995), the Commission rejected a proposal that
18 all of Ameritech's customers with long term contracts would be granted a "fresh
19 look" that would in essence invalidate those contracts. The Commission
20 discussed the issue and reached its conclusion as follows:

21 Illinois Bell opposes MFS' "fresh look" proposal. It argues that the
22 Commission should not invalidate its existing contracts for two reasons.

23 First, it claims that many services provided under contract are competitive,

1 and these customers could have chosen other alternatives when they
2 signed these contracts. Second, Illinois Bell points out that for many
3 optional payment plan services, customers received a lower rate because
4 they committed to purchase service for a fixed future period. It contends
5 that it would be unfair and unreasonable to invalidate these agreements.
6 IBT Ex. 1.20 at 34.

7 Analysis and Conclusion

8 For the reasons stated by Illinois Bell, we reject MFS' proposal. In the
9 absence of evidence that the contracts were entered into for anti-
10 competitive purposes, we will not disturb them.

11 Id., at 262.

12 Q. Should the Commission's finding in that case affect its decision in this case?

13 A. TRA is not asking to invalidate the contracts. It is simply requesting that the
14 Commission provide relief against the most inequitable aspects of those
15 agreements. Addressing Ameritech's specific arguments, Ameritech has not
16 limited its ValueLink tariffs to competitive rates. As discussed above, Ameritech
17 includes numerous services in the minimum revenue commitments needed to
18 obtain some of its ValueLink discounts that TRA believes this Commission will
19 find to be noncompetitive in Docket No. 98-0860.

20 Q. Would invalidating the penalty provisions of Ameritech's ValueLink tariffs
21 would allow its customers to take the benefits of the ValueLink tariffs without
22 providing Ameritech with its side of the agreement - term contracts?

1 A. No. The Commission should remember that the discounts provided under the
2 ValueLink tariffs generally replace those that customers used to receive under
3 Ameritech's automatic volume discounts, which did not require term
4 commitments. Therefore, Ameritech would be no worse off than it was when its
5 customers received automatic volume discounts. Additionally, the relief
6 requested below for contracts for competitive services - changing the
7 unconscionably high termination penalty in Ameritech's contracts to the more
8 reasonable reimbursement contained in Ameritech's ISDN Prime Service and
9 Dedicated Communication Service tariffs - directly addresses Ameritech's
10 argument that customers that receive the benefit of the discounts should be bound
11 for the full term of the contract. Under the penalty provisions proposed by TRA,
12 customers would have to forfeit their savings if they terminated their ValueLink
13 tariffs prior to the end of their term.

14 Q. Has the Commission considered Ameritech term commitment contracts in any
15 other proceedings?

16 A. The Commission considered Ameritech's term commitment contracts in *Illinois*
17 *Bell Telephone Company: Proposed reclassification of Bands B and C Business*
18 *Usage and Business Operator Assistance Credit Card surcharges to competitive*
19 *status; Illinois Bell Telephone Company: Filing to increase the Business Band C*
20 *rates and eliminate shoulder peak discounts*, Dockets 95-0135; 95-0179;
21 (Consol.) (ICC. October 16, 1995), the Commission stated as follows:

22 In the instant case, the record also reflects that Ameritech Illinois is
23 seeking to employ contracts upon reclassification that will lock in

1 Business Band B and C customers to long-term contracts with significant
2 penalties for customers seeking to switch telecommunications providers.
3 (See AT&T Ex. 2.00 at page 20, and AT&T Ex. 2.2) This strategy could
4 result in obstruction of the Commission's policy of creating a customer
5 choice environment through presubscription. By locking in customers
6 contractually before presubscription is available, Ameritech has created a
7 further barrier to competition in the market.

8 Id., at 59.

9 Q. How does that finding relate to this proceeding?

10 A. To the extent that Ameritech includes noncompetitive services in the revenue
11 commitments in some of its ValueLink tariffs, it has acted contrary to the
12 Commission's policy set forth in Dockets 95-0135 and 95-0179. As stated above,
13 the Commission is currently considering the competitive designation of
14 Ameritech's business services in Docket 98-0860. If the Commission finds that
15 some of those services were still noncompetitive at the time that Ameritech signed
16 customers to ValueLink contracts, then those customers would have been locked
17 in to long term contracts prior to the time when they had competitive alternatives.

18 Q. Please summarize the relief being requested by the TRA.

19 A. TRA is requesting that the Commission grant the following relief:

- 20 1. Require Ameritech to rewrite its ValueLink tariffs and contracts to
21 eliminate all termination penalties that include minimum usage or revenue
22 commitments for services found to be noncompetitive at the time that the
23 customer executed into its contract. The Commission will be making a

1 finding in Docket 98-0860 of which, if any, of Ameritech's recently
2 declared "competitive" services are truly competitive. Granting this relief
3 would thus allow customers to have the same freedom of choice that they
4 had under Ameritech's original volume discount tariffs. TRA requests
5 that the Commission direct that Ameritech make this change to each of the
6 ValueLink tariffs attached to this testimony as well as to its existing and
7 future contracts for ValueLink type services. All existing ValueLink
8 customers should be notified of this change in contract terms.

- 9 2. For all tariffs and contracts that limit the volume and revenue
10 commitments to services found to be competitive under the Public Utilities
11 Act, require Ameritech to rewrite its ValueLink tariffs and contracts to
12 reduce the termination penalty to a reasonable level or eliminate
13 termination penalties altogether. TRA requests that at a minimum, the
14 penalty be set to equal the difference between the amount of actual
15 charges during the period the customer was receiving service under a
16 ValueLink tariff and the amount that Ameritech would have charged if the
17 customer had been on rates appropriate to the actual service term. This
18 early termination penalty is similar to that used by Ameritech for its ISDN
19 Prime and Dedicated Communication Service tariffs. TRA requests that
20 the Commission direct that Ameritech make this change to all of the
21 appropriate ValueLink tariffs, as well as to its existing and future contracts
22 for these ValueLink services. All existing customers with contracts

1 subject to this modification should be notified of this change in contract
2 terms.

3 3. Prohibit Ameritech from imposing a termination penalty when it cannot
4 produce a valid contract from the customer, or when the customer disputes
5 the validity of the authorization or contract. Ameritech should also be
6 required to review all of the customers receiving ValueLink discounts and
7 identify those that have not entered into contracts. Those customers
8 should then be notified that they are not bound by the termination
9 provisions of the ValueLink tariffs. Ameritech should also correctly list
10 those customers on its OSS reporting system as not being subject to any
11 term contracts.

12 4. Prohibit Ameritech from charging a termination penalty when it wins back
13 a customer that had been receiving service under a ValueLink contract
14 assigned to a CLEC.

15 Q. Does that complete your testimony?

16 A. Yes.

William A. Capraro, Jr.

Mr. Capraro, Jr. is a 1981 graduate of St. Mary's college with a Bachelor of Arts degree in Business Management. From 1981 to 1984, Mr. Capraro, Jr. was a commercial real estate broker for Coldwell-Banker in Naples, FL. In 1984, he became General Manager of Paytel Corporation, Chicago, IL, where his responsibilities were operational and financial growth of the organization. During his one and a half years employment at Paytel, Mr. Capraro, Jr. helped propel the start up company from <\$1M to \$8M in annual revenues. In 1986 he left Paytel Corporation to co-found CIMCO Communications, Inc. As Executive VP, Mr. Capraro, Jr.'s primary responsibilities included sales, operational and financial growth of the company. In 1992, he was promoted to Chief Executive Officer. With his 16 years of experience in the telecommunications field, he currently monitors sales and marketing activities as well as oversees strategic development of the business.

Ameritech Tariffs

ValueLink Family of Tariffs

ValueLink; Tariff No. 19, Part 20, Section 4, Sheets 7-9

ValueLink Extra; Tariff No. 19, Part 20, Section 4, Sheets 12-18

ValueLink Extra Select; Tariff No. 19, Part 20, Section 4, Sheets 19-24

ValueLink Illinois - Option F; Tariff No. 19, Part 4, Section 2, Sheets 50-56.

ValueLink Illinois - Option F Preferred; Tariff No. 19, Part 4, Section 2, Sheets 57-61

Enhanced Ameritech ValueLink Plus; Tariff No. 19, Part 9, Section 3, Sheets 5-11.

CompleteLink; Tariff No. 19, Part 4, Section 5, Sheets 20-29.

StraightRate; Tariff No. 19, Part 4, Section 2, Sheets 30-32, 41-43.

Termination penalties from other Ameritech tariffs

Winback Term Plan; Tariff No. 19, Part 9, Section 3, Sheets 1-2

Business Special Rate III; Tariff No. 19, Section 8, Sheet 42

ISDN Prime; Tariff No. 19, Part 17, Section 2, Sheet 15

Dedicated Communication Service; Tariff No. 19, Part 15, Section 1, Sheets 40-45.3

1. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) /2/

1.2 ValueLink - Illinois^{/1/} (T)

1.2.1 Description (T)

ValueLink - Illinois is a usage and term discount plan for Band C usage which will be offered to business customers and is available for 12, 24, or 36 month term commitment lengths. No other local usage call plans are allowed with ValueLink - Illinois.

Customers must select a term commitment length and a minimum annual minutes of use commitment level for all Band C usage on the customer's account served by Ameritech Illinois. A customer's term discount may not exceed a total annual maximum discount of \$30,000.00 per year. All of the customer's accounts and locations served by Ameritech Illinois may contribute to the minimum annual minutes of use commitment level. The discount shown in 1.2.3 following will be applied to the customer's net Band C usage rates.

The discount will be effective beginning with the first billing date after the contract signature date.

1.2.2 Definitions (T)

Minimum Annual Band C Minutes of Use - the minimum number of Band C minutes of use the customer agrees to commit to in each year of the term commitment length selected by the customer for the customer's account and may include all of the customer's accounts and locations. Any minutes of use in excess of the commitment amount for any year of the term commitment length may not be carried over and applied to the next year's commitment level.

Net Band C Usage Rate - the net rate of Band C minutes of use after applying the Band C usage rates and applicable discounts as shown in Paragraphs 1.3 and 1.4 of Part 4, Section 2 of this tariff and prior to applying the ValueLink - Illinois discount. (T) /2/

/1/ ValueLink - Illinois will not be provided to new customers on and after January 1, 1998. Customers of record on January 1, 1998, may continue their service; however, a customer may not extend, renew, or otherwise lengthen the term of this service plan. Upon expiration of a customer's term plan, local usage rates for Band C as shown in Part 4, Section 2 of this tariff will apply. In the event a customer discontinues this service for any reason, ValueLink - Illinois will not be reestablished. (N)

/2/ Material formerly appeared in Part 4, Section 2.

Issued: December 3, 1997

Effective: January 1, 1998

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1. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd)

/2/

1.2 ValueLink - Illinois^{/1/} (cont'd)

(T)

1.2.3 Rates

(T)

A. Usage Rates

Band C usage rates and applicable discounts as shown in Paragraphs 1.3 and 1.4 of Part 4, Section 2 of this tariff apply to ValueLink - Illinois. Customers participating in ValueLink - Illinois will experience no Company initiated increase in Band C usage rate changes and/or Company initiated changes to the volume discount schedule which would result in an increased net Band C usage rate to the customer during the 12, 24, or 36 month term.

(T)

(T)

B. Discount Schedule

Minimum Annual Band C Minutes
of Use Commitment per
customer's account or all of
the customer's accounts and
locations

Term Commitment Length and
Discount to Be Applied to Net
Band C Usage Rates

	<u>12 Month</u>	<u>24 Month</u>	<u>36 Month</u>
24,000	3%	7%	9%
60,000	4%	8%	10%
120,000	5%	9%	11%
240,000	6%	10%	12%
360,000	6%	10%	12%
480,000	6%	10%	12%
600,000	7%	11%	13%
1,200,000	9%	13%	15%

/2/

/1/ ValueLink - Illinois will not be provided to new customers on and after January 1, 1998. Customers of record on January 1, 1998, may continue their service; however, a customer may not extend, renew, or otherwise lengthen the term of this service plan. Upon expiration of a customer's term plan, local usage rates for Band C as shown in Part 4, Section 2 of this tariff will apply. In the event a customer discontinues this service for any reason, ValueLink - Illinois will not be reestablished.

(N)

(N)

/2/ Material formerly appeared in Part 4, Section 2.

Issued: December 3, 1997

Effective: January 1, 1998

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1. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) /2/

1.2 ValueLink - Illinois^{/1/} (cont'd) (T)

1.2.4 Minimum Annual Commitment (T)

If the minimum annual Band C minutes of use commitment is not met, the customer will be billed in a lump sum the difference between the actual Band C minutes of use and the minimum annual minutes of use commitment X (times) the customer's Average Band C rates at the end of the year in the term commitment.

1.2.5 Early Termination (T)

- A. If the agreement is terminated in full by the customer before the term length has expired, the customer will be billed in a lump sum equal to the following at the time of termination:

For each partial or full year(s) remaining in the term commitment length the difference between the actual Band C minutes of use in each year of the term and the minimum annual minutes of use in that same year of the term X (times) the customer's average Band C rate at time of termination.

- B. The Early Termination charges will not apply if the customer converts into another Ameritech usage plan of equal to or greater than annual commitment of this contract and a term length that is equal to or greater than the remaining term of this contract.

1.2.6 Service Expiration (T)

Upon expiration of the term, the discount will no longer apply to Band C usage rates and the then current Band C usage rates will apply.

/2/

- /1/ ValueLink - Illinois will not be provided to new customers on and after January 1, 1998. Customers of record on January 1, 1998, may continue their service; however, a customer may not extend, renew, or otherwise lengthen the term of this service plan. Upon expiration of a customer's term plan, local usage rates for Band C as shown in Part 4, Section 2 of this tariff will apply. In the event a customer discontinues this service for any reason, ValueLink - Illinois will not be reestablished. (N)

/2/ Material formerly appeared in Part 4, Section 2.

Issued: December 3, 1997

Effective: January 1, 1998

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4. AMERITECH VALUELINK EXTRA^{/1/}

(C)/2/

A. DESCRIPTION

Ameritech ValueLink Extra is an optional access and usage volume discount plan for Ameritech business customers. Customers subscribing to Ameritech ValueLink Extra receive monthly discounts on selected services based on the customer's selected Minimum Annual Revenue Commitment (MARC). Customers may also be eligible for an annual usage bonus.

B. TERMS AND CONDITIONS

1. Minimum Annual Revenue Commitment

The MARC is the minimum annual revenue commitment that the customer must commit to per year in order to receive the volume discount. MARC revenue is the sum total of the customer's annual billed recurring revenue for the following contributory services: Business Exchange Access Service; Business Trunk Service; Digital Trunking Service; ISDN Direct and ISDN Prime Service and Features; exchange, intrastate, intraLATA DS1 and DS3; Centrex Service and Features including Single Payment Option; Business Usage Services (Bands A, B, and C) including Ameritech calling card usage excluding surcharges; ValueLink Extra Message Toll Service; ValueLink Extra intraMSA 800/888 usage charges; exchange, intrastate, intraLATA Ameritech Base Rate local distribution channels, channel mileage terminations, channel mileage, and multipoint bridging; and Ameritech Digital Transport Service Enhanced.

The ValueLink Extra MARC is available with a two year or three year term plan.

ValueLink Extra customers who fail to meet their selected Minimum Annual Revenue Commitment will be billed the difference between the selected MARC and the actual annual revenue billed.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

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PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 13

4. AMERITECH VALUELINK EXTRA^{/1/}

(C) /2/

B. TERMS AND CONDITIONS (cont'd)

1. Minimum Annual Revenue Commitment (cont'd)

MARC volume discounts apply to Business Exchange Access Service; Business Trunk Service; Digital Trunking service, including DSIs associated with the use of Digital Trunking; Business Usage Services (Bands A, B, and C) including Ameritech business calling card usage, excluding surcharges; ValueLink Extra Message Toll Service; and ValueLink Extra IntraMSA 800/888 usage service.

Local and state additional charges, taxes and the End User Common Line Charge are not volume discount eligible.

With the exception of the MAUC as described below, Ameritech ValueLink Extra customers are not required to purchase any of the MARC contributory services. Tariffed recurring and non-recurring charges apply for the installation and use of these services.

A customer's MARC volume discount may not exceed the following maximums per plan, per year:

<u>MARC</u>	<u>Maximum Annual MARC Discount</u>
\$ 25,000 to \$299,999	\$ 50,000
300,000 to 499,999	75,000
500,000 plus	100,000

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

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4. AMERITECH VALUELINK EXTRA^{/1/}

(C) /2/

B. TERMS AND CONDITIONS (cont'd)

1. Minimum Annual Revenue Commitment (cont'd)

An eligible ValueLink Extra customer may include up to, but may not exceed, 150 of its locations under one ValueLink Extra Plan. A customer may subscribe to only one ValueLink Extra plan at a time.

A ValueLink Extra plan is not transferable to, or may not be assumed by, a customer or customers other than the customer of record without prior written consent of Ameritech.

The Ameritech ValueLink Extra plan applies to all of the intraMSA services of the subscribing customer, including all business usage and message toll service for all business locations covered by the plan.

2. Minimum Annual Usage Commitment

The MAUC is the total minimum annual usage level a customer must commit to for all customer service locations covered by the ValueLink Extra plan in order to receive an annual MAUC bonus. Customers who fail to meet their selected minimum annual usage commitment are not eligible for the annual MAUC bonus.

The MAUC includes the annual revenue billed for Business usage (Band A, B, and C) and Ameritech calling card usage, excluding surcharges, for all locations covered by the ValueLink Extra plan.

The Ameritech ValueLink Extra MAUC may not be combined with other optional calling plans or discounts.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

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4. AMERITECH VALUELINK EXTRA^{/1/}

(C) /2/

B. TERMS AND CONDITIONS (cont'd)

2. Minimum Annual Usage Commitment (cont'd)

Customers subscribing to Ameritech ValueLink Extra who currently subscribe to other Ameritech optional calling plans for one or more of their locations must commit to a MAUC equal to or greater than the sum of the revenue remaining on the existing optional calling plan commitment.

ValueLink Extra customers who failed to meet their selected minimum annual usage commitment will be billed the difference between the selected MAUC and the actual usage revenue billed.

ValueLink Extra rates as noted in C. *PRICES* below apply to all station-to-station Band C usage.

3. Message Toll and IntraMSA 800 Service

ValueLink Extra rates as noted in C. *PRICES* below apply to all plan locations outbound, directly dialed station-to-station Message Toll Service calls; Message Toll Service (MTS) calls billed to an Ameritech calling card; and intraMSA 800/888 calls.

In lieu of ValueLink Extra MTS and intraMSA 800/888 prices, ValueLink Extra customers may, on a per location basis, maintain existing or subscribe to new Enhanced Ameritech ValueLink Plus as described in Part 9, Section 3 of this tariff. Enhanced Ameritech ValueLink Plus revenue does not contribute towards satisfaction of the ValueLink Extra MARC, nor is it volume discount eligible.

ValueLink Extra Message Toll and intraMSA 800/888 charges are billed per minute with initial increments of eighteen (18) seconds and additional increments of six (6) seconds or fraction thereof.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

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ILL. C.C. NO. 19
PART 20 **SECTION 4**

PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 16

4. AMERITECH VALUELINK EXTRA^{/1/}

(C)/2/

C. PRICES

1. Service Elements

Minimum Annual Revenue Commitment (MARC)	Term Length Discount Per Month		Band C Rate Per Minute
	Two Year	Three Year	
\$ 25,000 to 49,999	4%	6%	\$.066
50,000 to 74,999	5%	7%	.065
75,000 to 99,999	6%	8%	.064
100,000 to 149,999	7%	9%	.063
150,000 to 199,999	8%	10%	.062
200,000 to 299,999	10%	12%	.061
300,000 to 499,999	10%	12%	.060
500,000 plus	10%	12%	.059

Minimum Annual
Usage Commitment
(MAUC)

Annual Bonus

\$ 7,500	\$ 750
15,000	1,250
22,500	2,000
30,000	2,750
45,000	3,750
60,000	5,000

Message Toll Service
800/888 IntraMSA

\$.12 per min.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

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PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 17

4. AMERITECH VALUELINK EXTRA^{/1/}

(C)/2/

C. PRICES (cont'd)

2. Other Applicable Charges and Payments

Service Connection Charges are not applicable when establishing or changing to Ameritech ValueLink Extra.

References:

The rates and charges as noted in C. PRICES are for AMERITECH ValueLink Extra. Additional applicable rates and charges for services specified in B. TERMS and CONDITIONS can be found in the tariff references listed below.

Service	Reference
Enhanced AMERITECH ValueLink Plus	IL. I.C.C. NO. 19, Part 9, Section 3 Ameritech F.C.C. NO.4, Section 3.1.E.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

By Theresa P. Larkin, Vice President - Regulatory Affairs
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PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 18

4. **AMERITECH VALUELINK EXTRA**^{/1/}

(C)/2/

C. PRICES (cont'd)

3. Termination Charges

Customers terminating a ValueLink Extra plan prior to expiration of the selected term period are subject to termination charges.

Termination charges are equal to the MARC multiplied by the number of years remaining in the customer's term period. For a partial year, if the partial year revenue is less than the MARC, the customer is liable for the difference between the MARC and the actual billed revenue.

Termination liability charges are not applicable if during the ValueLink Extra term period the customer converts to another Ameritech access or usage plan with a term equal to or greater than the existing ValueLink Extra plan, and a revenue commitment equal to or greater than the ValueLink Extra MARC.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 2 through 7.

Issued: October 7, 1999

Effective: October 8, 1999

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PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 19

5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C)/2/

A. DESCRIPTION

Ameritech ValueLink Extra - Select is an optional volume discount plan for Ameritech business exchange customers. Customers subscribing to Ameritech ValueLink Extra - Select receive monthly discounts on selected services based on the customer's selected Minimum Annual Revenue Commitment (MARC).

B. TERMS AND CONDITIONS

1. Minimum Annual Revenue Commitment

The MARC is the minimum annual revenue commitment a customer must commit to per year, in order to receive a volume discount. The MARC revenue is the sum total of the customer's annual billed recurring revenue after application of Select volume discounts for the following contributory services: Business Basic Exchange; Business Trunk Service; Business Local Usage Services (Bands A, B, and C); Centrex Service and Features, including Centrex Single Payment Option; Ameritech Calling Card charges excluding surcharges; intraLATA, intrastate message toll service (MTS) calls; toll-free inbound intraMSA 800/888 calls; and ValueLink Extra - Select intraLATA, intrastate message toll service, intraMSA 800/888 charges; and ISDN Direct and ISDN Prime including Features.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

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5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C)/2/

B. TERMS AND CONDITIONS (cont'd)

1. Minimum Annual Revenue Commitment (cont'd)

MARC volume discounts apply to the monthly recurring rates for the following services; Business Basic Exchange Service; Business Trunk Service; Ameritech Calling Card usage charges excluding surcharges; Business Local Usage Services (Bands A, B, and C) excluding ISDN usage; intraLATA, intrastate message toll service (MTS) calls; toll-free inbound intraMSA 800/888 calls; and ValueLink Extra - Select intraLATA, intrastate message toll service and intraMSA 800/888 charges.

ValueLink Extra - Select rates as noted in **C. PRICES** following apply to all station-to-station Band C usage.

ValueLink Extra - Select customers who fail to meet their selected Minimum Annual Revenue Commitment will be billed the difference between the selected MARC and the actual revenue billed.

Local and state additional charges, taxes, and the End User Common Line Charge are not volume discount eligible.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

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5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C)/2/

B. TERMS AND CONDITIONS (cont'd)

1. Minimum Annual Revenue Commitment (cont'd)

Except as provided elsewhere in this tariff, Ameritech ValueLink Extra - Select customers are not required to purchase all of the MARC contributory services. Normal tariffed recurring and non-recurring charges apply for the installation and use of these services.

A customer's total annual MARC volume discount may not exceed the following maximums per plan, per year:

<u>MARC</u>	<u>Maximum Annual Volume Discount</u>
\$ 700 to 2,999	\$ 350
3,000 to 5,999	1,500
6,000 to 11,999	2,000
12,000 plus	2,500

An eligible Business customer may include up to, but may not exceed, 150 of its account numbers under one ValueLink Extra - Select Plan. All accounts must be within Ameritech Illinois serving territory. A customer may subscribe to only one ValueLink Extra - Select plan at a time.

The ValueLink Extra - Select plan is not transferable to, or may not be assumed by a customer or customers other than the customer of record without prior written consent of Ameritech.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

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5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C) /2/

B. TERMS AND CONDITIONS (cont'd)

2. IntraLATA Toll and 800/888 Usage

ValueLink Extra - Select customers are eligible for discounted Ameritech intraLATA toll service and 800/888 usage rates. Applicable discount rates are determined by the customer selected ValueLink Extra - Select MARC and term period.

ValueLink Extra - Select intraLATA toll service and 800/888 usage rates as specified in *PRICES* below apply to all plan location outbound Ameritech directly-dialed station-to-station calling card calls; intraLATA, intrastate Message Toll Service (MTS) calls; and toll-free inbound intraMSA 800/888 calls.

In lieu of ValueLink Extra - Select MTS and intraMSA 800/888 usage prices, ValueLink Extra -Select customers may, on a per location basis, maintain existing or subscribe to new Enhanced Ameritech ValueLink Plus as described in Part 9, Section 3 of this tariff. Enhanced Ameritech ValueLink Plus revenue does not contribute towards satisfaction of the ValueLink Extra - Select MARC, nor is it volume discount eligible.

3. Service Guarantee

Within 90 days of subscribing to Ameritech ValueLink Extra Select 3-year term plan, customers may cancel this service without incurring the termination liability charges specified in C.3 *PRICES* of this tariff. This guarantee does not apply to customers who terminate or convert from another Ameritech toll, access, and/or usage term commitment product for the purpose of subscribing to Ameritech ValueLink Extra Select.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

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5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C)/2/

C. PRICES

1. Service Elements

<u>Minimum Annual</u> <u>Revenue Commitment</u> <u>(MARC)</u>	<u>Term Length</u>			<u>Band C</u> <u>Rate Per</u> <u>Minute</u>
	<u>Volume</u>	<u>Discount</u>	<u>Per Month</u>	
	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	
\$ 700 to 2,999	5%	5%	7%	\$.070
3,000 to 5,999	5%	6%	8%	.069
6,000 to 11,999	6%	7%	9%	.068
12,000 plus	7%	8%	10%	.067

Minimum Annual Revenue Commitment (MARC)	IntraLATA Toll and 800/888 Price Per Minute		
	1 Year	2 Year	3 Year
\$ 700 to 2,999	\$0.14	\$0.14	\$0.14
3,000 to 5,999	0.13	0.13	0.13
6,000 to 11,999	0.12	0.12	0.12
12,000 plus	0.11	0.11	0.11

2. Other Applicable Charges and Payments

There is no Service Connection Charge to enroll in ValueLink Extra - Select.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

By Theresa P. Larkin, Vice President - Regulatory Affairs
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ILLINOIS BELL
TELEPHONE COMPANY

Ameritech
Tariff

ILL. C.C. NO. 19
PART 20 SECTION 4

PART 20 - Grandfathered Services
SECTION 4 - Exchange Access Services

Original Sheet No. 24

5. AMERITECH VALUELINK EXTRA - SELECT^{/1/}

(C)/2/

C. PRICES (cont'd)

3. Termination Liability

Customers terminating a ValueLink Extra - Select plan prior to the selected term period are subject to termination charges.

Termination charges are equal to the MARC multiplied by the number of years remaining in the customer's term period. For a partial year, if the partial year billed revenue is less than the MARC, the customer is liable for the difference between the MARC and the actual billed revenue.

Termination liability charges are not applicable if during the ValueLink Extra - Select term period the customer converts to another Ameritech access or usage plan with a term equal to or greater than the existing ValueLink Extra - Select Plan, and a revenue commitment equal to or greater than the ValueLink Extra - Select MARC.

/2/

/1/ Effective October 8, 1999, no further installation of, or changes to ValueLink Extra service will be made. ValueLink Extra service in service on October 7, 1999 will be continued in service only for as long as such service remains at the location at which service is being furnished on the aforementioned date. ValueLink Extra service will be withdrawn on October 8, 2002 or earlier, in the event that the in-service count declines to zero.

/2/ Material formerly appeared in Part 4, Section 5, Sheet Nos. 11 through 14.

Issued: October 7, 1999

Effective: October 8, 1999

By Theresa P. Larkin, Vice President - Regulatory Affairs
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ILLINOIS BELL
TELEPHONE COMPANY

Ameritech
Tariff

ILL. C.C. NO. 19
PART 4 SECTION 2

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

1st Revised Sheet No. 50
Cancels
Original Sheet No. 50

/1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) (T)/2/

3.6 VALUELINK ILLINOIS - OPTION F

(T)

A. DESCRIPTION

ValueLink Illinois - Option F is an optional volume and term usage call plan which provides for a fixed per minute rate for Band C usage. ValueLink Illinois - Option F will be offered to business customers and is available for 12, 24, or 36 month term commitment lengths.

B. DEFINITIONS

Minimum Annual Band C Minutes of Use Commitment (MAUC)

The minimum number of Band C minutes of use the customer agrees to commit to in each year of the term commitment length selected by the customer for the customer's account and may include all of the customer's accounts and locations.

Net Band C Usage Rate

The net rate of the Band C rate per minute as shown in Paragraph 3.4 preceding after applying the volume discounts as shown in Paragraph 3.3 preceding.

Annual Savings

The annual savings the customer receives per year. This savings is determined by subtracting the applicable rate per minute shown in Paragraph D. following from the customer's Net Band C Usage Rate and multiplying that difference by the number of minutes used.

/2/

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
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ILLINOIS BELL
TELEPHONE COMPANY

Ameritech
Tariff

ILL. C.C. NO. 19
PART 4 SECTION 2

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

1st Revised Sheet No. 51
Cancels
Original Sheet No. 51

/1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) (T)/2/

3.6 VALUELINK ILLINOIS - OPTION F (cont'd)

C. TERMS AND CONDITIONS

1. ValueLink Illinois - Option F is available to any class of business customer (excluding Coin or Semi-Public) on a Term Payment Plan of 12, 24, or 36 Months.
2. ValueLink Illinois - Option F rates apply to intraMSA Band C Business Usage Service customer-dialed station-to-station calls and calls billed to a business calling card account.
3. ValueLink Illinois - Option F customers must affirmatively select a term commitment length and a minimum annual minutes of use commitment level for all Band C usage on the customer's account served by Ameritech Illinois.
4. All of the customer's accounts and locations served by Ameritech Illinois may contribute to the minimum annual minutes of use commitment level.
5. Any MAUC in excess of the commitment level for any year of the term commitment length may not be carried over and applied to the next year's commitment level.
6. No other local usage call plans are allowed with ValueLink Illinois - Option F.
7. ValueLink Illinois - Option F is billed in initial increments of eighteen (18) seconds and additional increments of six (6) seconds or fraction thereof.

/2/

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
225 West Randolph Street
Chicago, Illinois 60606

ILLINOIS BELL
TELEPHONE COMPANY

Ameritech
Tariff

ILL. C.C. NO. 19
PART 4 **SECTION 2**

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

1st Revised Sheet No. 52
Cancels
Original Sheet No. 52

/1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, AND 15 (cont'd) (T)/2/

3.6 ValueLink Illinois - Option F (cont'd) (T)

C. TERMS AND CONDITIONS (cont'd)

8. During each month of the term plan selected by the customer, if the customer's total monthly Band C Business Usage Service charges based on the Option F rates stated in Paragraph D. following, are higher than the charges the customer would have been assessed based on the tariffed rates for Band C Business Usage Service as shown in Paragraphs 3.3 and 3.4 preceding, the monthly charges under this term plan will be modified to mirror the lowered charges. (T)

9. The customer's term commitment savings may not exceed a total maximum annual savings of \$30,000.00 per year. If that amount is exceeded, the Business Usage Band C rates and volume discounts as shown in Paragraphs 3.3 and 3.4 preceding will apply for minutes exceeding that amount. (T)

10. ValueLink Illinois - Option F provides the following features: (T)

- a. Price Protection guarantees no price increases for the duration of the 12, 24, or 36 month term plan.
- b. Contract Upgrade allows the customer to upgrade to longer term commitment length and/or larger minutes of use commitment level. ValueLink Illinois - Option F customers are not eligible for any other current or future local usage plan unless converting to another Ameritech plan of greater or equal to revenue value and term lengths greater than or equal to the number of months remaining in the ValueLink Illinois - Option F term commitment length selected by the customer.

/2/

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

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ILL. C.C. NO. 19

PART 4

SECTION 2

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

1st Revised Sheet No. 53
Cancels
Original Sheet No. 53

/1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, AND 15 (cont'd) (T)/2/

3.6 ValueLink Illinois - Option F (cont'd) (T)

C. TERMS AND CONDITIONS (cont'd)

c. Ninety (90) day customer satisfaction guarantee that allows new ValueLink Illinois - Option F customers to cancel their term plan without incurring termination liability charges within the first 90 days of their term. This satisfaction guarantee does not apply to customers that terminate an Ameritech usage term plan or convert from another Ameritech usage term product to subscribe to ValueLink Illinois - Option F.

11. The ValueLink Illinois - Option F MAUC and per minute prices are set forth in Paragraph D. following. (T)

12. No service charges are applicable to establish or change to ValueLink Illinois - Option F. (T)

/2/

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
225 West Randolph Street
Chicago, Illinois 60606

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ILL. C.C. NO. 19
PART 4 **SECTION 2**

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

1st Revised Sheet No. 54
Cancels
Original Sheet No. 54 /1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) (T)/2/

3.6 VALUELINK ILLINOIS - OPTION F (cont'd) (T)

D. PRICES

1. Service Elements

Description	Rate Per Minute		
	Term Payment Plans		
	12 Months	24 Months	36 Months
Minimum Annual Band C Minutes of Use Commitment			
24,000	\$0.056	\$0.054	\$0.052
60,000	0.055	0.053	0.051
120,000	0.054	0.052	0.050
240,000	0.053	0.051	0.049
360,000	0.052	0.050	0.048
480,000	0.051	0.049	0.047
600,000	0.050	0.048	0.046
1,200,000	0.049	0.047	0.045

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
225 West Randolph Street
Chicago, Illinois 60606

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ILL. C.C. NO. 19
PART 4 **SECTION 2**

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

6th Revised Sheet No. 55
Cancels
5th Revised Sheet No. 55 /1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) (T)/2/

3.6 VALUELINK ILLINOIS - OPTION F (cont'd) (T)

D. PRICES (cont'd)

2. Payment Plans

• **Term Payment Plans**

Minimum Annual Commitment

If the Minimum Annual Band C Minutes of Use Commitment is not met, the customer will be billed in a lump sum the difference between the actual Band C minutes of use and the minimum annual minutes of use commitment X (times) the ValueLink Illinois - Option F Band C rate per minute for the term Commitment length selected by the customer.

Service Expiration

Upon expiration of the term commitment length selected by the customer, the then current Band C usage rates and any applicable discounts, as shown in Paragraphs 3.3 and Paragraphs 3.4 preceding will apply.

/2/

/1/ Material now appears on Sheet Nos. 2.2 through 25 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
225 West Randolph Street
Chicago, Illinois 60606

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ILL. C.C. NO. 19

PART 4

SECTION 2

PART 4 - Exchange Access Services
SECTION 2 - Exchange Lines and Usage

2nd Revised Sheet No. 56

Cancels

1st Revised Sheet No. 56

/1/

3. USAGE SERVICES IN MARKET SERVICE AREAS 1, 2, 3, 6, 7, 9, and 15 (cont'd) (T)/2/

3.6 VALUELINK ILLINOIS - OPTION F (cont'd)

(T)

D. PRICES (cont'd)

3. Termination Charges

Early Termination

If the agreement is terminated in full by the customer before the term length has expired, the customer will be billed in a lump sum equal to the following at the time of termination:

For each partial or full year(s) remaining in the term commitment length the difference between the actual Band C minutes of use in each year of the term and the minimum annual minutes of use in that same year of the term X (times) the rate per minute for the term payment plan selected by the customer.

The Early Termination charges will not apply if the customer converts into another Ameritech usage plan equal to revenue value and term lengths greater than or equal to the number of months remaining in the ValueLink Illinois - Option F term commitment length selected by the customer.

/2/

/1/ Material now appears on Sheet Nos. 76 through 79 in this Section.

/2/ Material formerly appeared on Sheet Nos. 1 through 14 in this Section.

Issued: March 30, 1998

Effective: March 31, 1998

By D. H. Gebhardt, Vice President - Regulatory Affairs
225 West Randolph Street
Chicago, Illinois 60606